HOWARD COUNTY, MARYLAND
DEPARTMENT OF FINANCE
DIVISION OF TAXPAYER SERVICE
P.O. BOX 3370
ELLICOTT CITY, MD 21041-3370

SENIOR TAX CREDIT - 2011
Quick Guide to the Application Process

The Senior Tax Credit is available to residential real property that is owned by and used as the principal residence of an individual who is at least 70 years of age on or before June 30, 2011.

The credit is 25% of the County property tax due in the current year after applying the Homestead Credit. The senior credit is calculated after all other credits are applied to the tax bill.

Taxpayers who also meet the minimum qualifications for the State Homeowners' Property Tax Credit will be required to apply for that credit before receiving the Senior Tax Credit. Because the two programs have different qualifications, we have developed this Guide to help you identify which forms to complete. **Please read BOTH sections below.**

If your combined gross household income does not exceed **$72,850** and your Net Worth (excluding the value of your home, ***but including*** the value of qualified retirement plans and individual retirement accounts) does not exceed **$500,000** you should:

1. Complete the **Senior Tax Credit Application**
2. Submit application and copies of the required backup documentation and proof of age by **September 1** to:

HOWARD COUNTY MARYLAND
DEPARTMENT OF FINANCE
DIVISION OF TAXPAYER SERVICE
ATTN: SENIOR TAX CREDIT
P.O. BOX 3370
ELLICOTT CITY, MD 21041-3370

If your combined gross household income does not exceed **$45,000** and your Net Worth (excluding the value of your home, ***and excluding*** the value of qualified retirement plans, and individual retirement accounts) does not exceed **$200,000** you **must** also:

1. Complete the **2011 Homeowners' Property Tax Credit** (Form HTC-60)
2. Send Form HTC-60 and the supporting documentation to the State of Maryland by **September 1** to:

DEPARTMENT OF ASSESSMENT & TAXATION
HOMEOWNER'S TAX CREDIT PROGRAM
301 W. PRESTON STREET
9TH FLOOR, ROOM 900
BALTIMORE MD 21201

For information and assistance, call 410-313-4076 between 8am and 5pm Monday – Friday

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SENIOR TAX CREDIT - 2011
APPLICATION INSTRUCTION SHEET

To be eligible for the Senior Tax Credit for Tax Year 2011, you must be at least 70 years of age as of June 30, 2011, have combined gross household income that does not exceed $72,850, and have net worth that does not exceed $500,000. The property on which you seek the credit must be your principal residence.

The credit is granted against County residential real property tax. Application must be submitted by **September 1, 2011**.

The amount of credit is 25% of the County property tax due in the current year after applying the Homestead Credit. The amount of the credit is calculated after all other credits granted for the property have been applied.

DEFINITIONS

Combined Gross Income (Item # 20)

For purposes of the Senior Tax Credit program, the applicant must report total income, which means the combined **gross** household income before any tax exemptions or deductions are taken. Income information must be reported for the applicant, spouse or co-owner and all other occupants of the dwelling unless such other occupants were claimed as dependents on the applicant's federal income tax return or unless they are paying **reasonable fixed charges, such as rent or room and board. Payment of household expenses by other occupants should be reported as room and board. If other occupants are not dependents and are not being charged rent or room and board, you must include their total gross income.** Your spouse and all owners on the deed who reside in the dwelling must report their gross income.

"Gross Income" means the total income from all sources for the calendar year that immediately precedes the taxable year, whether or not the income is included in the definition of gross income for federal and state tax purposes.

"Gross Income" does not include:

1. **income tax refunds received from the state or federal government.**
2. **any loss from business, rental or other endeavor.**

Net Worth (Item #22)

For the purpose of applying for the Senior Tax Credit, net worth means, after deducting outstanding liabilities, the sum of the current market value of all assets including real property, cash, savings accounts, and other investments, but not including:

1. the dwelling for which the property tax credit is sought,
2. the cash value of any life insurance policies on the life of the homeowner, and
3. tangible personal property.

Please note that the definition of net worth under the State Homeowners Credit program and the Howard County Senior Tax Credit are different. The cash value of qualified retirement savings plans and individual retirement accounts must be reported to the County.

Qualified Retirement Plan (Item #22 B)

A qualified retirement plan includes:

1. A qualified pension, profit-sharing, or stock bonus plan (including 401(k), 403(b) plans and 457 deferred comp plans)
2. A tax sheltered annuity contract,
3. A qualified annuity plan, and
4. An IRA

Eligible Property

The amount of property eligible for a tax credit is the dwelling and acreage assigned to the home as determined by the Supervisor of Assessments for Howard County.

ADDITIONAL INSTRUCTIONS

Copy of Federal Tax Return

If you or **any other non-dependent household members** file a federal income tax return, all parties must furnish a photocopy of your completed federal return, including all accompanying schedules and other forms with this application. If income was derived from a partnership or corporation, a copy of the partnership return (form 1065 including schedule K-1) and/or a copy of the corporate return (Form 1120 or 1120S, including Schedule K-1) must also be included. If separate returns were filed by married spouses, then a copy of each must be included.

Time and Place for Filing

The Senior Tax Credit Application, all supporting documentation and proof of age should be sent to:

HOWARD COUNTY MARYLAND
DEPARTMENT OF FINANCE
DIVISION OF TAXPAYER SERVICE
ATTN: SENIOR TAX CREDIT
P.O. BOX 3370
ELLICOTT CITY, MD 21041-3370

The deadline for filing this application is September 1, 2011. If the credit is not granted in time for your initial July billing, please pay your full 1st installment in a timely manner to avoid interest charges. Your credit will be applied toward your 2nd installment or refunded if your bill is paid in full.

Proof of Age

Proof of age is a copy of your birth certificate, driver's license, passport or other legal documentation of age. **Proof of age is only required for your first year in the program.**

Income Verification

In individual cases, an applicant may later be requested to submit additional verification or other evidence of income in order to substantiate the application. An application may be subjected to an audit at a later date.

INFORMATION AND ASSISTANCE

For information and assistance, call 410-313-4076 between 8am and 5pm Monday – Friday.

PRIVACY NOTICE

The principal purpose for which this information is sought is to determine your eligibility for a tax credit. Pursuant to state law, information about your finances, including your assets, income, liabilities, or net worth, cannot be disclosed by county officials, unless required by court order. In addition, tax information required in a federal return that is included in a state return may not be disclosed by any county employee unless that employee by reason of office has a right to tax information or unless required by court or legislative order.

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APPLICATION FOR SENIOR TAX CREDIT
TAX YEAR BEGINNING JULY 1, 2011

1. Last Name First Name and Middle Initial	4. Full Name Spouse and/or Co-Owner living in the property
2. Your Social Security Number	5. His/Her Social Security Number
3. Your Birth Date	6. His/Her Birth Date

7. Property Address (Number and Street)	8. City, Town or Post Office	9. Zip Code
10. Mailing Address if different from above (Attach explanation)	11. City, Town or Post Office	12. Zip Code

13. Marital Status: ☐ Single ☐ Married ☐ Separated ☐ Divorced ☐ Widowed (Date _____)

14. Property Account Number – Parcel ID	15. Daytime Telephone No. ( )

16. You MUST list the name of every resident over 18 years of age in your household who is not a co-owner and who cannot be claimed as a dependent for IRS purposes. (If more space is needed, attach a separate list) If none, write NONE.

Name _____ Relationship _____

Name _____ Relationship _____

17. Report here the amount of reasonable fixed charges for room, board, rent or expenses paid by the persons listed in item 16. If none is paid, write NONE and then list the total gross income of such residents in Item 20, Column 3 (All Others)

$_____ per Week Month (circle one) $_____ per Week Month (circle one)

18. Is any portion of your property used for:

a) farming	☐ Yes	☐ No	_____%
b) business	☐ Yes	☐ No	_____%
c) a rental purpose	☐ Yes	☐ No	_____%

19. a.) Total number of apartments in the property, including vacant apartments. _____

b.) Amount of rent received during previous year from tenants: Gross_____ Net_____

20. **SOURCES OF INCOME CALENDER YEAR ENDING DECEMBER 31, 2010** When a document is requested, please DO NOT send the original, send a copy. If no Social Security, Railroad Retirement or other pension benefits were received, then you must enter zero (0) in the appropriate space.	(1) APPLICANT	(2) SPOUSE OR RESIDENT CO-OWNER	(3) ALL OTHERS	OFFICE USE ONLY
Wages, Salary, Tips, Commissions, Fees **(Attach a copy of W-2)**				
Interest (taxable and non-taxable)				
Dividends (taxable and non-taxable)				
Gross Capital **Gains** (Includes non-taxable gains)				
Rental Income (**Net**)				
Business Income (**Net**)				
Room & Board				
Unemployment Insurance and/or Worker' Compensation (Circle which)				
Alimony; Support Money; Public Assistance Grant (Circle which)				
Social Security **(Attach copy of form SSA-1099)**; SSI Benefits (Circle which)				
Railroad Retirement **(Attach copy of 2010 RRB)**				
Other Federal Pensions per year (Not including VA Benefits) (**Attach a copy of 1099-R)**				
Veteran's Benefits per year (**Attach a copy of 1099-R)**				
Pensions and Annuities (**Attach a copy of 1099-R -If a rollover attach proof of deposit**)				
IRA Distributions (**Attach a copy of 1099-R -If a rollover attach proof of deposit**)				
Deferred Compensation **(Attach a W-2 Statement)**				
Inheritances; Gifts over $300; Expenses Paid by Others (Circle which)				
All other income (indicate source)				
TOTAL GROSS INCOME FOR YEAR 2010				

21. Did you or will you, and/or your spouse, file a Federal Income Tax Return for 2010? ☐ Yes ☐ No

If yes, a copy of your return (and if married filing separately, a copy of your spouse's return) with all accompanying schedules must be submitted with this application.

22. Asset Information

A) As of 12/31/2010, what is your total current balance in cash, savings, and checking accounts? _____

B) As of 12/31/2010, what is the amount of your investments in qualified retirement plans and individual retirement accounts? _____

C) As of 12/31/2010, what is the net worth of your investments? _____

- *Net Worth means current value minus debt.*
- *Investments include real estate (do not include your primary residence for which this credit is sought), trust funds, money market funds, certificates of deposit, stocks, stock options, bonds, other securities, installment and land sale contracts (including mortgages held), commodities etc.*
- ***Do not include the cash value of life insurance, tangible personal property or the amount already reported in Questions A and B.***

Total Assets (A+B+C) _____

ATTENTION: Please enclose with your application the following:

- ☐ **Proof of Age**- ***for first time applicants only***, copy (Government ID, Passport, Birth Certificate or other legal documentation)
- ☐ **Income-** Verification of combined household income for all residents 18 and over, including: Rollover bank statements if applicable as well as Qualified Retirement Plan statement
- ☐ **Federal Tax Return-**Copy of your 2010 income tax returns including supporting documents
- ☐ **Social Security Statement-2010** 1099 SSA or Railroad Retirement Statement
- ☐ **Signatures-**Ensure all homeowners have signed **AND** filled out **ALL** sections of each application

23. I declare under the penalties of perjury pursuant to Sec.1-201 of the Maryland Tax-Property Code Annotated that this application (including any accompanying forms and statements) has been examined by me and the information contained herein, to the best of my knowledge and belief, is true correct and complete, that I have reported all monies received, that I have a legal interest in this property, and that this dwelling will be my principal residence for the prescribed period. I understand that the Howard County Department of Finance may request at a later date additional information to verify the statements reported on this form, and that independent verifications of the information reported may be made. I also understand that intentionally providing false information on this application may subject me to criminal penalties and fines.

Further, I hereby authorize the Social Security Administration, Comptroller of the Treasury, Internal Revenue Service, the Income Maintenance Administration, Unemployment Insurance, the State Department of Human Resources, and Credit Bureaus to release to the Howard County Department of Finance any and all information concerning income or benefits received.

_____ _____ _____

Applicant's Signature **Date** **Spouse or Resident Co-owner's Signature**